



**Billing Code: 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**[Transmittal No. 16-16]**

**36(b)(1) Arms Sales Notification**

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Chandelle K. Parker, DSCA/LMO, (703) 697-9027.

The following is a copy of a letter to the Speaker of the House of Representatives,  
Transmittal 16-16 with attached Policy Justification.

Dated: June 27, 2016.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



## DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

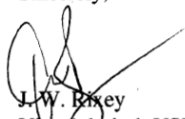
MAY 24 2016

The Honorable Paul D. Ryan  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 16-16, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Kuwait for defense articles and services estimated to cost \$420 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,



J.W. Bixey  
Vice Admiral, USN  
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Regional Balance (Classified Document Provided Under Separate Cover)



## Transmittal No. 16-16

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Kuwait

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$420 million</u>
TOTAL	\$420 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Non-Major Defense Equipment (MDE):

This request includes the following Non-MDE: continuation of contractor engineering technical services, contractor maintenance services, Hush House (an enclosed, noise-suppressed aircraft jet engine testing facility) support services, and Liaison Office Support for the Government of Kuwait F/A-18 C/D program. This will include F/A-18 avionics software upgrades, engine component improvements, ground support equipment, engine and aircraft spares and repair parts, publications and technical documentation, Engineering Change Proposals (ECP), U.S. Government and contractor programmatic, financial, and logistics support. Also included are: maintenance and engineering support, F404 engine and engine test cell support, and Liaison Office support for five (5) Kuwait Liaison Offices. There is no MDE associated with this possible sale. The total overall estimated cost is \$420 million.

(iv) Military Department: U.S. Navy (GHI, GHJ)

(v) Prior Related Cases, if any: FMS Cases: GGZ-\$134,425,825-16 JUN 14  
GGW-\$177,181,190-25 DEC 13

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None

(viii) Date Report Delivered to Congress: 24 May 2016

\*as defined in Section 47(6) of the Arms Export Control Act.

## POLICY JUSTIFICATION

### The Government of Kuwait-F/A-18 C/D Services and Support

The Government of Kuwait has requested a possible sale of the following Non-Major Defense Equipment (MDE): continuation of contractor engineering technical services, contractor maintenance services, Hush House support services, and Liaison Office Support for the Government of Kuwait F/A-18 C/D program. This will include F/A-18 avionics software upgrades, engine component improvements, ground support equipment, engine and aircraft spares and repair parts, publications and technical documentation, Engineering Change Proposals (ECP), U.S. Government and contractor programmatic, financial, and logistics support. Also included are: maintenance and engineering support, F404 engine and engine test cell support, and Liaison Office support for five (5) Kuwait Liaison Offices. There is no MDE associated with this possible sale. The total overall estimated value is \$420 million.

The proposed sale of support services will enable the Kuwait Air Force to ensure the reliability and performance of its F/A-18 C/D aircraft. Kuwait will have no difficulty absorbing this support into its armed forces.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country that has been, and continues to be, an important force for political stability and economic progress in the Middle East. Kuwait plays a large role in U.S. efforts to advance stability in the Middle East, providing basing, access, and transit for U.S. forces in the region.

The proposed sale of support and services will not alter the basic military balance in the region.

The principal contractors will be Kay and Associates Incorporated in Buffalo Grove, Illinois; The Boeing Company in St. Louis, Missouri; Industrial Acoustics Corporation in Winchester, England; General Electric in Lynn, Massachusetts; and Sigmatech in Huntsville, Alabama. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require two-hundred and seventy-five (275) contractor representatives to travel to Kuwait for a period of three (3) years to provide support.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.